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JANUARY 2005

CB-05-01

Subject: Tentative 2005-2006 Funding Levels for the Campus-Based Programs

SUMMARY: This letter announces the posting to our eCB website of institutions' tentative 2005-2006 funding levels for the campus-based programs.

Dear Colleague:

Your institution's tentative funding level and corresponding worksheets for the Federal Perkins Loan, Federal Work-Study (FWS), and/or Federal Supplemental Educational Opportunity Grant (FSEOG) programs for the award period July 1, 2005 through June 30, 2006 will be posted to the eCampus-Based (eCB) web site at <http://www.cbfsap.ed.gov> no later than January 31, 2005. These tentative funding levels are determined in accordance with the Higher Education Act of 1965, as amended (HEA), and the campus-based program regulations.

Note that in accordance with the Consolidated Appropriations Act of 2005 (P.L. 108-447) there will be no funds available for new Federal Capital Contributions (FCC) for the Federal Perkins Loan Program for the 2005-2006-award year.

Attached to this letter is an explanation of the calculation of each tentative funding level found on the worksheets for each program. Your institution's tentative award notification and worksheets will be available on the eCB web by selecting the "Self Service" link from the top navigation bar or main menu and then scrolling to the "Campus-Based Notification" section and selecting the "Tentative Award Notification or Worksheet". Please review your worksheets carefully.

NOTE THESE ARE ONLY TENTATIVE FUNDING LEVELS. Final awards for the 2005-2006 award year will be posted to e-CB no later than March 31, 2005.

REDUCED FUNDING LEVELS DUE TO PRIOR YEAR UNDERUSE

In accordance with sections 413D(d)(2), 442(d)(2) and 462(i)(4) of the HEA, if an institution returns more than 10 percent of its Federal Perkins Loan, FWS, or FSEOG allocation, respectively, for an award year, the allocation for the second succeeding award year for that program is reduced by the dollar amount returned from the earlier year. You can tell whether your institution's 2005-2006 funding level was reduced because of underuse of 2003-2004 funding by reviewing the worksheet lines labeled "Under Used Percentage" and "Allocation Reduction".

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The law also provides that the Secretary can waive the underuse penalty for an institution if its enforcement would be contrary to the interests of the affected campus-based program. A request for a waiver of any 2005-2006 award year penalty for the underuse of 2003-2004 award year funds should be submitted to the Department using the eCB website's FISAP process (Part II, Section C and the Additional Information screens). Requests must be submitted no later than February 11, 2005.

ADDITIONAL LOCATIONS NOT ELIGIBLE AS OF OCTOBER 1, 2004 MUST BE ELIGIBLE BY MARCH 1, 2005

Institutions were permitted to include data in the 2005-2006 FISAP for students enrolled in additional locations that had not yet received an eligibility determination by the October 1, 2004 FISAP submission date. If an institution does not receive an eligibility letter and Program Participation Agreement from the U.S. Department of Education by March 1, 2005 for the newly listed locations, it must submit revised FISAP data using the eCB website no later than March 8, 2005. The institution's revision must remove all data pertaining to students enrolled at the ineligible locations.

Please review your 2005-2006 tentative funding worksheets carefully. If you have questions, please contact the Campus-Based Call Center, at 877-801-7168 Monday through Friday 8:00 am - 8:00 pm Eastern Time.

Sincerely,



Kathleen Wicks, Acting Director
Campus-Based Systems and Operations Division
Federal Student Aid

Attachments

- A. Explanation of Worksheets
- B. Expected Family Contribution (EFC) Procedures 2005-2006
- C. EFC Averages